



HR0071

LRB097 07842 GRL 47956 r

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HOUSE RESOLUTION

2 WHEREAS, A value-added tax (VAT) is a type of sales tax
3 that is assessed on goods at every stage of production; and

4 WHEREAS, A VAT is a hidden tax that is ultimately passed
5 along to consumers, but is embedded into the price of goods and
6 services and therefore not transparent to the consumer; and

7 WHEREAS, The average tax burden levied by the federal
8 government since 1980 has been 18.2% of gross domestic product
9 (GDP); and

10 WHEREAS, Within the next 15 years, federal taxes are
11 projected to rise to the highest level in United States
12 history; and

13 WHEREAS, Adding a VAT on top of the existing federal income
14 tax would increase the burden on United States taxpayers to
15 unprecedented levels; and

16 WHEREAS, The average VAT rate in Europe has risen from 5%
17 when the tax was first introduced in the 1960s to 20% today;
18 and

19 WHEREAS, European countries that have imposed a VAT have

1 seen their total tax burden rise to an average of over 40% of
2 GDP; and

3 WHEREAS, Such high levels of taxation and spending crowd
4 out private investment, which stifles economic growth and leads
5 to chronically high levels of unemployment; and

6 WHEREAS, The Internal Revenue Service Office of the
7 Taxpayer Advocate has calculated that United States taxpayers
8 spend approximately \$200 billion and 7.6 billion hours a year
9 to comply with federal tax laws; and

10 WHEREAS, A VAT would only add another layer of complexity
11 and compliance costs to a fundamentally unsound tax system; and

12 WHEREAS, The burden of a VAT would fall most heavily on
13 low-income and middle-class Americans; and

14 WHEREAS, The true solution to the United States fiscal
15 crisis is to rein in the unsustainable growth of federal
16 spending; and

17 WHEREAS, A VAT would do nothing to restore fiscal
18 accountability in Washington, but would simply bankroll
19 wasteful and inefficient federal government spending;
20 therefore, be it

1 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
2 NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
3 we urge Congress to oppose the passage of any value-added tax;
4 and be it further

5 RESOLVED, That suitable copies of this resolution be
6 presented to the members of the Illinois congressional
7 delegation.